

PROGRAM DESCRIPTION

FY 2007 ANNUAL PROGRAM PERFORMANCE MEASURES

DEPARTMENT: Michigan Department of Labor & Economic Growth

APPROPRIATION UNIT: Michigan State Housing Development Authority

Date:02/12/08

AGENCY STATEMENT

MSHDA provides financial and technical assistance through public and private partnerships to create and preserve safe and decent affordable housing, engage in community development activities, and address homeless issues.

FY 2007 AGENCY GOALS/MAJOR OBJECTIVES

Homeownership

- Create a core group of financial opportunity centers in Michigan.
- Create an emerging market advisory board to provide trusted guidance
- Increase public awareness of predatory and sub-prime lending practices
- Increase production of low and moderate income homeownership in Michigan

Neighborhood Revitalization and Community Development

- Increase resources of community development activities
- Develop a more comprehensive and cohesive approach to community development
- Strengthen the neighborhood revitalization and community development network capacity

Rental Housing

- Communicate policy objectives and improve the public benefit of rental developments financed by MSHDA
- Make MSHDA direct lending programs more attractive to experienced developers
- Document the need for rental housing development and preservation

Supportive Housing

- Strengthen infrastructure through education and technical assistance to local nonprofits
- Assure that services are available and accessible to persons living in supportive housing and their own homes
- Promote collaboration among supportive housing partners

Homeless

- Provide housing subsidy to the poorest, most in need people and families in Michigan
- Support local communities 10 year planning to end homeless efforts

FY 2007 AGENCY ACCOMPLISHMENTS

Homeownership

- Provided increased assistance and funding to LINKS counseling network participants for foreclosure prevention.
- Created an increased awareness campaign for Emerging Markets via Cable television show and marketing material.
- Created and rolled out the “Save the Dream” campaign with guidance and education for households in need of foreclosure prevention assistance. Web site, toll free phone line and introduction to Legislature for Refinance programs.
- Significant increase in production from 2006 to 2007 totaling over a 30% increase.

Neighborhood Revitalization and Community Development

- Increased involvement of Federal Home Loan Bank of Indianapolis in Michigan community development projects.
- Provided consultants to work with local units of government to deal comprehensive neighborhood revitalization plans,
- Supported efforts by the Community Economic Development Association of Michigan (CEDAM) and the Community Development Advocates of Detroit (CDAD) to increase CDC networks.

Rental Housing

- Increased number of affordable rental units developed to 2,561 – or 128% of 2007 production goal
- Implemented design review and loan underwriting process improvements
- Revised direct lending program parameters for efficiency and clarity
- Initiated the Michigan Preservation Income Exchange Database profiling Michigan rental housing stock in need of preservation

Supportive Housing

- Provided technical assistance to multiple service and housing organizations in the state. Attended eight regional meeting to outline the infrastructure of Michigan's Campaign to End Homelessness.
- MSHDA's work around the Campaign to End Homelessness as lead to an increased awareness of services needed by those living in supportive housing to remain housed by providing services; this is known as homeless prevention. The Campaign in Michigan has also lead to an increase in awareness to homelessness and existing services, thereby increasing in the number service agencies, foundations, and business collaborating to end homelessness.
- In 2007, 38 communities held project homeless connect events. Project homeless connect is a one day event held to embrace the needs of the homeless in the community.

Homeless

- The Tenant Based Rental Assistance (TBRA), a two-year rental subsidy, is available in many communities in Michigan. In addition, the Homeless Assistance Recovery Program (HARP) has been initiated statewide and approximately 1,000 HARP vouchers have been issued. Supportive Housing and Homeless Initiatives staff has diligently worked to engage service agencies that certify homelessness, help complete HARP applications, locate housing, and engage the homeless in on-going services.
- Throughout 2007, monthly regional calls were conducted to ensure collaboration between state and regional partners in ending homelessness. Additionally, "thecampaigntoendhomelessness.org" web-site became functional in October, 2007. This web-site acts as communication tool to highlight best practices.

AGENCY IMPROVEMENT PLANS

During 2007, MSHDA and the affordable housing community began implementing the five-year action plan for affordable housing, community development and homelessness. The plan makes several recommendations on how to better address the housing and community development needs of Michigan. Five teams are now working on the recommendations.

FY 2008 AGENCY GOALS

Homeownership

- Create a core group of financial opportunity centers in Michigan.
- Create an emerging market advisory board to provide trusted guidance
- Increase public awareness of predatory and sub-prime lending practices
- Increase production of low and moderate income homeownership in Michigan

Neighborhood Revitalization and Community Development

- Increase resources of community development activities
- Develop a more comprehensive and cohesive approach to community development

- Strengthen the neighborhood revitalization and community development network capacity

Rental Housing

- Provide updated information to development community about MSHDA policy objectives and application procedures for direct lending and other incentive programs
- Improve the public benefit of rental developments financed by MSHDA
- Make MSHDA direct lending programs more attractive to the development community - make more good loans quickly

Supportive Housing

- Strengthen infrastructure through education and technical assistance to local nonprofits
- Assure that services are available and accessible to persons living in supportive housing and their own homes
- Promote collaboration among supportive housing partners

Homeless

- Provide housing subsidy to the poorest, most in need people and families in Michigan
- Support local communities 10 year planning to end homeless efforts

Housing and Community Development Fund

- Develop administrative rules
- Conduct public hearings and develop allocation plan
- Distribute funding to eligible organizations

CUSTOMER IDENTIFICATION

People with very low and moderate incomes (direct)
 Local Governments (indirect)
 Downtown Development Authorities (indirect)
 Landlords (indirect)
 For profit housing developers (indirect)
 Mortgage companies (indirect)
 Management companies (indirect)
 Nonprofit organizations (indirect)
 Realtors (stakeholder)
 Builders (stakeholder)

ORGANIZATION

Executive

Agency administration; governmental relations; public relations; marketing research; planning; organizational development; education and training technology; human resources

Asset Management

Financial and physical property operations oversight of Multifamily direct loans; preservation and transfer of physical assets; mortgage workouts and Contract Administration for HUD.

Community Development

Neighborhood Preservation Program (NPP); technical assistance; grants to nonprofit organizations and local governments; and property improvement.

Community Assistance Team

Loans and grants to local governments for downtown revitalization.

Housing Voucher

Housing Choice Voucher (HCV) rental assistance through these programs: HCV, Family Self Sufficiency (FSS), and the “Key to Own” Homeownership Program.

Finance

Capital formation and financial management; loan servicing; accounting.

Homeownership

Home mortgages, home ownership counseling, Mortgage Credit Certificates (MCC), Individual Development Accounts.

Multifamily Development and Construction

Multifamily direct rental housing development loans and Section 236/202 preservation loans; supportive housing loans; technical services including design review, construction monitoring, inspection, appraisals, environmental review, energy conservation and fire safety.

Legal

Legal aspects of loan underwriting and bond and note sales; loan closings; review of administrative procedures and legislation; public hearings; fair housing; compliance; Low Income Housing Tax Credit (LIHTC) and modified pass through lending.

Supportive Housing & Homeless Initiatives

Loans and grants to finance or gap finance construction of supportive housing and financial support of homeless initiatives.

LINE ITEM PROGRAM:**PAYMENTS ON BEHALF OF TENANTS**

Date: 2/12/07

PROGRAM STATEMENT/INFORMATION

The purpose of the Payments on Behalf of Tenants line item is to provide financial assistance to households with very low incomes to help pay their rent and to ensure that the housing they rent is decent and sanitary. MSHDA administers the federally funded Section 8 Housing Choice Voucher program statewide.

The mission of the Michigan State Housing Development Authority's Office of Housing Voucher Programs (HVP) is to assist Michigan's very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing. Ninety percent of new admissions must have adjusted incomes at or below the Federal Poverty Level with 10% of new admissions having adjusted incomes at or below 120% of the Federal Poverty Level. Once accepted into the program, recipients must select their own rental unit. MSHDA contracts with Housing Agents (nonprofits, local units of government, Limited Liability Corporations) to administer the statewide Housing Choice Voucher Program (HCV). Housing Agents also inspect rental units on the program to ensure they meet Housing Quality Standards determined by the Department of Housing and Urban Development.

It is also the mission of MSHDA's Housing Choice Voucher Family Self-Sufficiency and Homeownership programs to promote and provide education and opportunities for families to become economically self-sufficient and end the cycle of assistance to recycle the vouchers to additional families in need.

FY 2007 PROGRAM GOALS

- Utilize 100% of available Housing Choice Vouchers (HCV) and ensuring 100% of the units meet HQS.
- Continue efforts to expand HARP to 10-29 counties, dependent on the availability to fill outstanding vacant FTEs.
- Manage the continued effort to create the best Family Self-Sufficiency (FSS) Program in the nation. Determine and guide the FSS program staff with marketing and program guideline structure to ensure our enrollment increases to the desired number of slots.
- Link 30 new successful participants with MSHDA's Key to Own, HCV Homeownership program.
- Provide Downpayment Assistance to 15 voucher holders in exchange for the voucher in 2007.

FY 2007 PROGRAM OBJECTIVES

- During FY 2007, vouchers that become available will be issued within 30 days.
- During FY 2007, every unit will be inspected to insure it meets HQS.
- During FY 2007, expand the availability of HARP to 10-29 counties.
- During FY 2007, identify and expand the Key to Own Program to 30 new HCV participants.
- During FY 2007, grow the Family Self-Sufficiency Program to 2,000 program participants.

FUND SOURCE

Federal funds

LEGAL BASIS

Michigan P.A. 346 of 1966, as amended
U.S. Housing Act of 1937

FY 2007 PROGRAM EFFECTIVENESS

During FY 2007, the program distributed approximately \$141 million in subsidies to 23,017 recipients with an average income of \$11,445 with an average household size of 2. The recipients paid approximately 30% to 40% of their income for rent and the program paid on the average of \$460 per household to make up the difference.

During FY 2007, 98.29% of available vouchers were utilized.

During FY 2007, at minimum 23,017 inspections were made of units occupied by program participants to insure they met HQS.

PROGRAM IMPROVEMENT PLANS

MSHDA is working on improvements to its new database management software and continuing Process Improvement Teams, such as the File Audit Project, in an effort to work smarter with fewer resources.

FY 2008 GOALS

- Utilize 100% of available Housing Choice Vouchers (HCV) and ensuring 100% of the units meet HQS.
- Continue efforts to expand HARP statewide by July 2008, which is more than two years ahead of schedule.
- Manage the continued effort to create the best Family Self-Sufficiency (FSS) Program in the nation. Determine and guide the FSS program staff with marketing and program guideline structure to ensure our enrollment increases to the desired number of slots.
- Link 30 new successful participants with MSHDA's Key to Own, HCV Homeownership program.
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